of diesel on delivered basis at Lahore, Jhelum & Karachi. Indian Oil Corporation have submitted a non-binding offer for the supply of 3,25,000 MT of diesel during the period October 2005 to March, 2006. The prices offered by IOCL are on the basis of international quotes and commercial considerations. However, the export could materialize only if diesel is removed from the negative list of importable items from India into Pakistan.

Draft order on Oil refinery output

200. SHRI R.K. ANAND: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that his Ministry had drafted an order stating that seven percent of oil refinery output should be kerosene;

(b) whether it is a fact that Law Ministry has not agreed with this order, and;

(c) if so, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Although current refinery capacity is sufficient to meet the domestic demand of PDS kerosene, Oil marketing companies who are distributing PDS Kerosene had represented to Government that owing to non-availability of adequate quantities of kerosene from domestic refineries they have to import kerosene at higher prices, whereas some of the stand-alone refineries were exporting jet kerosene/aviation turbine fuel which is equivalent to PDS kerosene product. Considering that non-availability of kerosene may assume significant proportions, it became essential that Government take pro-active action. Accordingly, a proposal to direct refineries to produce a minimum amount of kerosene has been examined. The Department of Legal Affairs has confirmed the powers of the Central Government to issue such an order under the Essential Commodities Act. In the meantime, Oil marketing companies have been advised to discuss the availability of kerosene with various refineries to meet domestic demand.

Losses suffered by IOC

201. SHRI R.K. ANAND: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that IOC has suffered a loss of Rs. 4900 crores in

revenue during the first quarter of the current fiscal year;

(b) whether it is also a fact that out of Rs. 4900 crores loss, roughly Rs. 2700 crores was on sale of kerosene and domestic cooking gas; and

(c) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The under-recoveries of Indian Oil Corporation Limited (IOCL) during the period April-June 2005 on petrol, diesel, PDS Kerosene and Domestic LPG were around Rs. 4869 crore, of which Rs. 1917 crore was on account of PDS Kerosene and Rs. 832 crore was on account of Domestic LPG.

Agreements in Refineries and Gas Sector

202. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of agreements made by Government recently with Iran and other countries in refineries and gas sector;

(b) to what extent our country would be benefited through these agreements in the coming years;

(c) whether Government are getting any threat/cautions after these agreements; and

(d) if so, what is Government's response threon?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) A Sale Purchase Agreement (SPA) for import of 5 MMTPA of LNG from Iran was signed between GAIL (India) Ltd. (GAIL)/Indian Oil Corporation (IOC)/Bharat Petroleum Corporation Ltd. (BPCL), and National Iranian Gas Export Company Limited (NIGEC). The import of 5.0 MMTPA LNG from Iran would help to partially meet the gas requirements of the country. The Ministry of Petroleum & Natural Gas have, on 5.3.2005 and 4.7.2005, signed an Agreement on Cooperation and a Memorandum for Cooperation, with Venezuela and Romania respectively in the hydrocarbon sector.

The Ministry of Petroleum & Natural Gas has also entered into dialogue with a host of national Governments of countries that are rich in oil and